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ABSTRACT

The Illinois Educational Facilities Authority (IEFA) is a public instrumentality created to provide assistance to not-for-profit, private institutions of higher education. It does so by furnishing the means for such institutions to finance or refinance the construction or acquisition of educational facilities throughout the state. The 1996 annual report of the IEFA is presented here. The report provides information about the members of the authority, advisors to the authority, the creation and operation of the IEFA, and criteria for authority financing. It lists the institutions receiving financial assistance, the nature of the projects financed, and the amount of each financing. It also includes an auditor's report. For fiscal year 1996, the Authority provided assistance to 27 degree-granting, private, not-for-profit institutions of higher education and 15 private, not-for-profit institutions or museums engaged in cultural, scientific, or artistic enrichment of the state's population. This assistance consisted of providing these institutions access to tax-exempt financial markets through the issuance of revenue bonds. The Authority administered 65 bond issues, as well as 16 outstanding, defeased (off-balance sheet) bond issues. A synopsis of institutions receiving help is provided. Contains an IEFA balance sheet; a statement of revenues, expenses, and changes in fund equity; statement of cash flows; additional notes to financial statements; and a schedule of revenue bonds outstanding as of June 30, 1996. (RJM)

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ED 460 565

1996 Annual Report

Midwestern University
Downers Grove, Illinois

Brookfield Zoo, Brookfield, Illinois

EF 005 077

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About the cover: The facilities shown on the front cover were both financed through the Illinois Educational Facilities Authority. *Shown on the upper left* is the Living/Learning Center on the Downers Grove, Illinois campus of Midwestern University. Photograph taken and copyrighted by Jason Jones. The construction and equipping of the Living/Learning Center, which contains classrooms, faculty offices and student housing, were funded with a portion of the proceeds of $22,650,000 in Illinois Educational Facilities Authority Revenue Bonds, Midwestern University, Series 1996. *Shown on the lower right* is the Penguin Coast Enterprise Facility at Brookfield Zoo and the terrace for La Grande Cocina, all part of the Zoo's Living Coast exhibition. Brookfield Zoo is operated by Chicago Zoological Society, which received $10,000,000 in financial assistance from the proceeds of Illinois Educational Facilities Authority Revenue Bonds, Chicago Zoological Society (Brookfield Zoo Project), Series 1995A and Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, The Chicago Zoological Society (Brookfield Zoo Project), Series 1995B to finance the construction of the Penguin Coast Enterprise Facility, the expansion of its North Gate Entrance, the replacement of its Motor Safari Tram System and other improvements throughout the Zoo.

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY

ANNUAL REPORT
FOR THE FISCAL YEAR ENDING JUNE 30, 1996

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Providing Financial Assistance to Illinois Not-for-Profit Educational and Cultural Institutions

JIM EDGAR
GOVERNOR

STATE OF ILLINOIS
OFFICE OF THE GOVERNOR
SPRINGFIELD 62706

March 21, 1997

Greetings:

During my tenure as Governor, I have made education in our state a top priority. Our youth are our future and as leaders in Illinois, our responsibility is to ensure a top quality education to every child.

The Illinois Educational Facilities Authority is essential in providing the educational environment necessary to advance student needs in Illinois. IEFA uses the money issued toward numerous projects for not-for-profit educational and cultural institutions.

I would like to thank the Illinois Educational Facilities Authority for its commitment and service to making Illinois' educational infrastructure one of the nation's best. I encourage you to read this annual report to learn more about the Authority and its dedication to our next generation's leaders.

Best regards,

Jim Edgar

Jim Edgar
GOVERNOR

MEMBERS

CHAIRMAN
JOHN D. TILTON

VICE CHAIRMAN
PHILIP M. BURNO

MEMBERS
RICHARD E. FAVORITI
MYRNA T. JURCEV
CHARLES F. MAC KELVIE
DOROTHY J. O'NEILL
CHARLES M. WILLMS

EXECUTIVE DIRECTOR
THOMAS P. CONLEY

State of Illinois

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY

333 West Wacker Drive
Suite 2600
Chicago, Illinois 60606-1218
(312) 781-6633
Fax (312) 781-6630
TDD: (312) 781-6675
E-Mail: BURRAD!TConley@ATTMail.com

Greetings:

We are pleased to present the 1996 Annual Report for the Illinois Educational Facilities Authority, including its financial statements as audited by Berg, DeMarco, Lewis, Sawatski & Co., Special Assistant Auditors for the Illinois Auditor General.

Since 1969, the Authority has successfully issued and administered 139 separate series of revenue bonds in the aggregate original principal amount of $2,554,171,000 for the benefit of forty-six different non-profit educational or cultural institutions. As of June 30, 1996, eighty-three of these issues in the aggregate original principal amount of $1,834,444,634.65 remained outstanding. These financings have been undertaken without risk or expense to the taxpayers of the State of Illinois. All Authority expenses are reimbursed by modest fees charged to the institutions which receive financial assistance from the Authority. There has never been a default on any of the Authority's bonds.

During the 1995-1996 fiscal year, the Authority issued $119,619,000 in new revenue bonds and commercial paper for the benefit of nine constituent institutions. These financings were made possible through the generous volunteer service of the Authority Members and the fine efforts of the public finance professionals who work with the Authority each year. The dedicated Commercial Paper Pooled Financing Program established by the Authority this year was the Authority's first pooled financing since 1985 and, thanks to the efforts of an exceptionally creative financing team, provided an innovative solution to the differing financial objectives of the five participating institutions.

We note that Governor Edgar appointed Myrna Jurcev as the newest Member of the Authority on March 1, 1996. We take pleasure in welcoming her to the Authority's Board. Ms. Jurcev replaces George Stevens, who had served on the Board since 1989. The Authority thanks Mr. Stevens for his participation and support over the years.

We take pride in the accomplishments of the Authority and reaffirm our commitment to advancing its important mission.

Respectfully submitted,

John D. Tilton
Chairman

MEMBERS OF THE AUTHORITY

JULY 1, 1995 - JUNE 30, 1996

The Illinois Educational Facilities Authority Act provides that the Authority be governed by a seven-member board appointed by the Governor of the State of Illinois. All members of the Authority serve without compensation but are entitled to reimbursement for expenses incurred in the performance of their duties under the Act. The Authority annually elects one member to serve as Chairperson and one member to serve as Vice-Chairperson. During the year ended June 30, 1996, the following individuals served as members of the Authority:

JOHN D. TILTON, Chairman

Mr. Tilton, a resident of River Forest, Illinois, is the President of Tilton & Lewis Associates, Inc., which specializes in space planning, architecture and interior design. He is Chairman of the Oak Park Tour Center and Vice President of the Frank Lloyd Wright Home and Studio Foundation.

PHILIP M. BURNO, Vice Chairman

Mr. Burno, a resident of Chicago, Illinois, is a Partner of Wayne Hummer & Co., which is a securities brokerage firm. He is Chairman of the Board of the Wayne Hummer Money Trust and the Wayne Hummer Gross Fund Trust.

RICHARD E. FAVORITI

Mr. Favoriti, a resident of Naperville, Illinois, is an attorney in private practice.

MYRNA T. JURCEV (Appointed on March 1, 1996)

Ms. Jurcev, a resident of Oak Lawn, Illinois, is the National Secretary Treasurer of the Croatian Catholic Union, which is a fraternal benefit society. She is also the editor of the monthly magazine *Our Hope*.

CHARLES F. MacKELVIE

Mr. MacKelvie, a resident of Park Ridge, Illinois, is a partner in the health care law firm of MacKelvie & Associates, Ltd. He is also President of Carelien, Inc., a Medicare specialty firm. Mr. MacKelvie is a founding member and on the Executive Committee of the Loyola University of Chicago Health Law Institute, where he has taught courses on Medicare and Medicaid for the last ten years. Additionally, Mr. MacKelvie is an advisor to the Dean of the College of Allied Health Sciences of the University of Florida.

DOROTHY J. O'NEILL

Mrs. O'Neill, a resident of Champaign, Illinois, is an aeronautical engineer. She is Past President of the League of Women Voters of Illinois and active in civic affairs. She is also the Vice-Chairperson of the Illinois State Board of Education.

GEORGE R. STEVENS (served from 1989 to January, 1996)

Mr. Stevens, a resident of Lake Bluff, Illinois, is a founder of the Stevens Center for Public Policy Studies, a non-profit charitable and research corporation. He is a former partner in Arthur Anderson & Co. and president of an industrial company. He served on the Illinois State Scholarship Commission and the Illinois Independent Higher Education Loan Authority.

CHARLES M. WILLMS

Mr. Willms, a resident of Waukegan, Illinois, is a Senior Vice President of Direct Image Advertising, Inc., where he performs duties in the fields of marketing and public relations. He is currently a member of the Waukegan Community School District #60 Board of Education and Director of Great Lakes Credit Union and has previously served as the President of the Board of Education of both Protectorate High School District #119 and Spaulding Grade School District #58.

(From left to right: Richard E. Favoriti, Charles F. MacKelvie, Myrna T. Jurcev, John D. Tilton, Dorothy J. O'Neill, Charles M. Willms and Philip M. Burno)

ADVISORS TO THE AUTHORITY

JULY 1, 1995 - JUNE 30, 1996

The Illinois Educational Facilities Authority has no employees. Instead, all of the Authority's administrative and operational functions are performed by its advisors, who are retained as independent contractors. The Authority's Legal Counsel serves as its Executive Director and provides office space and administrative services for the Authority's operations. The Authority's accountant is responsible for its fiscal records while its Bond Counsel and Financial Advisor provide professional advice in connection with the issuance of the Authority's revenue bonds. As of June 30, 1996, the following persons and firms served as advisors to the Authority:

EXECUTIVE DIRECTOR AND LEGAL COUNSEL

Thomas P. Conley
Burditt & Radzius, Chartered
333 West Wacker Drive, Suite 2600
Chicago, IL 60606
(312) 781-6633

ACCOUNTANT

Robert Anthes and Jeffery Pruyn
Anthes & Associates, Ltd.
105 West Orchard Street
Itasca, IL 60143
(630) 773-0960

BOND COUNSEL

C. Robert Foltz and James E. Luebchow
Chapman and Cutler
111 West Monroe Street
Chicago, IL 60603
(312) 726-6130

FINANCIAL ADVISOR

Keith Morgan and Katherine Bateman
John Nuveen & Co. Incorporated
333 West Wacker Drive
Chicago, IL 60606
(312) 917-7700

CREATION AND OPERATION

The Illinois Educational Facilities Authority is a public instrumentality of the State of Illinois. The Authority was created by the State in 1969 to provide assistance to not-for-profit, private institutions of higher education by furnishing the means for such institutions to finance or refinance the construction or acquisition of educational facilities located in the State through the issuance of tax-exempt bonds. In 1976, the scope of the Authority's mandate was expanded to include not-for-profit, private institutions which engage in or facilitate academic, scientific, educational or professional research or learning in a field or fields of study taught at private, not-for-profit institutions of higher education. In 1985, the State further expanded the types of institutions served by the Authority to include private, not-for-profit cultural institutions.

The powers, duties and functions of the Illinois Independent Higher Education Loan Authority were merged into and assumed by the Authority in 1988. The Illinois Independent Higher Education Loan Authority was originally created to provide an alternative method for students to finance the cost of higher education. By providing low cost financing for education loan programs operated by private, not-for-profit institutions of higher education and educational loan corporations, students were able to obtain student loans at low interest rates. New financings for education loan programs have been curtailed due to a change in federal tax laws. During the fiscal year ended June 30, 1996, the Authority administered six bond series originally issued by the Illinois Independent Higher Education Loan Authority.

The Authority provides financing assistance by issuing and selling its tax-exempt, limited obligation revenue bonds and lending the proceeds to eligible institutions. The payments made by the borrowing institution on the loan from the Authority serve as the sole source of repayment for the revenue bonds issued by the Authority. Revenue bonds are generally issued in a separate series for the benefit of a specific institution; however, the Authority has issued revenue bonds for the combined benefit of several unrelated institutions. The names given to each series of bonds issued by the Authority identify the year of issuance and the institution for whose benefit the bonds were issued and whose loan revenues are pledged for repayment of the bonds. Combined issuances are identified as pooled loan programs. The Authority administered three pooled loan programs during the fiscal year ended June 30, 1996.

For an institution to receive financing assistance from the Authority, the Authority must find that the institution and the project to be financed are eligible for assistance under state and federal law, and that the institution is financially able to undertake the obligation. An institution may generally use the proceeds of a loan from the Authority only to acquire, construct, renovate, furnish or equip facilities to be used in the institution's operations or to refinance loans previously incurred for such purposes.

Borrowers, with assistance from the Authority and the municipal finance professionals selected by the borrower, determine the structure of the financing. The terms of the Authority's loan to the borrower correspond to the terms of the bonds issued for the borrower, including the interest rate charged. Because interest paid on the Authority's bonds is generally exempt from federal income taxation, the interest rate on the borrower's loan from the Authority is generally lower than the rate it could otherwise obtain in a taxable financing. The Authority's bonds are not exempt from Illinois income taxes.

Although the Authority is a public instrumentality, its bonds are not backed or guaranteed by the State or the Authority. The Authority's bonds are limited obligations payable solely from the obligations of the borrower which are pledged for their repayment. The bonds do not represent or constitute a debt of the Authority or of the State of Illinois within the meaning of the provisions of the Constitution or Statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or grant to the owners thereof any right to have the Authority or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment thereof. The Authority's bonds are not moral obligations of the State of Illinois. The ability of the Authority to sell its bonds and provide financial assistance depends, therefore, upon the creditworthiness of the institution for whose benefit the bonds are sold.

The Authority receives no appropriations from the State of Illinois. To fund its operations, the Authority collects three types of user fees from borrowers. For considering an institution's request for a loan, the Authority charges an application fee of $250, $500 or $1,000 based upon the size of the loan requested. If the application is approved and the bonds issued, the Authority assesses an administrative charge based upon the aggregate principal amount of the bonds issued (maximum charge is $10,000 less the application fee paid). On July 1 of each year the bonds remain outstanding, the Authority assesses each borrower an annual fee calculated as a percentage of the original aggregate principal amount of the bonds issued for the benefit of the institution. The Authority adjusts its annual fee each year to cover its operating expenses. Historically, the Authority's annual fee has averaged 1.35 basis points (0.0135%). For the fiscal year ended June 30, 1996, the Authority's annual fee was set at 1.5 basis points (0.015%). In addition to the Authority's fees, borrowing institutions pay the fees and costs of the Authority's bond counsel and financial advisor for services rendered in connection with a bond financing. Charges for these services are based upon a fee schedule negotiated and approved by the Authority.

For further information, please write or call the Authority's Executive Director.

Illinois Educational Facilities Authority
333 West Wacker Drive, Suite 2600
Chicago, Illinois 60606
Telephone: (312) 781-6633 Telefax: (312) 781-6630 TDD: (312) 781-6675
E-Mail: BURRAD!TConley@ATTMail.com

CRITERIA FOR AUTHORITY FINANCINGS

In order for the Authority to provide financial assistance to an institution, the institution and the projects it seeks to finance must be eligible to receive such assistance under Illinois and federal law, and the institution itself must be financially qualified.

Determination of Legal Eligibility and Financial Qualification

The Authority determines an institution's legal eligibility and financial qualification for a project financing on a case-by-case basis after considering the opinions of its advisors. Questions on legal eligibility requirements are addressed by the Authority's Bond Counsel. Questions on financial qualification requirements are addressed by the Authority's Financial Advisor. In general, the Authority utilizes the criteria set forth below in its deliberations.

General Legal Eligibility Requirements for Institutions

The factors used in determining whether an educational or cultural institution is legally eligible for financing assistance through the Authority are, in general:

1. The institution must be a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code.

2. The institution must not be owned by the State of Illinois or any political subdivision, agency, instrumentality, district or municipality of the State.

3. The institution must not be primarily engaged in religious or sectarian activities, and must not be "pervasively sectarian" within the meaning of relevant state and federal case law.

4. If the institution is a cultural institution, it must engage in the cultural, intellectual, scientific, educational or artistic enrichment of the people of the State of Illinois.

5. If the institution is an educational institution, it must:

    a. admit as regular students only individuals having a certificate of graduation from a high school or a recognized equivalent of such a certificate;

b. award bachelor's degrees or postgraduate degrees which as a precondition to the award require a bachelor's degree, or have a two-year program which is either acceptable for full credit toward a bachelor's or postgraduate degree or which is designed to prepare the student to work as a technician at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific or mathematical principles or knowledge;

c. either: (i) be accredited by a nationally recognized accrediting agency, or have three institutions which are so accredited accept their credits on transfer, and hold an unrevoked "certificate of approval" from the State Superintendent of Education; or (ii) be a qualified and approved "degree granting institution" under Illinois law; and

d. not discriminate in the admission of students on the basis of race, color or creed.

General Financial Qualification Requirements for Institutions

An institution is financially qualified if it has sufficient resources and management capability on its own to successfully undertake the financing requested. While the Authority's Financial Advisor provides the Authority with a credit opinion on each applicant's financial qualifications, the financial marketplace is the ultimate judge of financial qualification. Loans can be made to an institution only if the bonds the Authority must issue to fund such loan can be sold based solely upon the Authority's pledge of the revenues from such loan.

General Legal Eligibility Requirements for Projects

The Authority can only provide assistance for projects which entail the acquisition, construction, enlargement, remodeling, renovation, improvement, furnishing or equipping of the borrowing institution's facilities. Each project must also comply with the following requirements:

1. The project must be located within the State of Illinois.

2. The project may not be used for sectarian instruction or as a place of religious worship, nor may it be used primarily in connection with any part of the program of a school or department of divinity for religious training.

3. The project must be related to the borrowing institution's charitable purpose and be used in the borrowing institution's trade or business.

INSTITUTIONS RECEIVING FINANCIAL ASSISTANCE

In fiscal year 1995-1996, the Authority provided the following institutions with financial assistance for facilities located in the following cities and counties:

Private Institutions of Higher Education

The Art Institute of Chicago, Chicago, Cook County

Augustana College, Rock Island, Rock Island County

Aurora University, Aurora, Kane County

Bradley University, Peoria, Peoria County

Columbia College, Chicago, Cook County

DePaul University, Chicago, Cook County

Elmhurst College, Elmhurst, DuPage County

Eureka College, Eureka, Woodford County

Illinois College of Optometry, Chicago, Cook County

Illinois Institute of Technology, Chicago, Cook County, and Wheaton, DuPage County

Illinois Wesleyan University, Bloomington, McLean County

Kendall College, Evanston, Cook County

Knox College, Galesburg, Knox County

Lake Forest College, Lake Forest, Lake County

Lewis University (formerly Lewis College), Romeoville, Will County

Lincoln University, Lincoln, Logan County

Loyola University of Chicago, Chicago and Maywood, Cook County

MacMurray College, Jacksonville, Morgan County

Midwestern University, (formerly Chicago Osteopathic Health Systems, and Chicago College of Osteopathic Medicine), Chicago and Olympia Fields, Cook County, and Downers Grove, DuPage County

Monmouth College, Monmouth, Warren County

National-Louis University, (formerly National College of Education), Evanston, Cook County and Wheaton, DuPage County

North Central College, Naperville, DuPage County

Northwestern University, Evanston and Chicago, Cook County

Rush-Presbyterian-St. Luke's Medical Center, Chicago, Cook County

Scholl College of Podiatric Medicine (formerly Illinois College of Podiatric Medicine), Chicago, Cook County

Trinity Christian College, Palos Heights, Cook County

The University of Chicago, Chicago, Cook County

Museums, Scientific & Cultural Institutions

The Arts Club of Chicago,
Chicago, Cook County

Chicago Historical Society,
Chicago, Cook County

The Chicago Zoological Society,
Brookfield, Cook County

The Children's Memorial Hospital,
Chicago, Cook County

Field Museum of Natural History,
Chicago, Cook County

John F. Kennedy Health Care Foundation, Inc., Barrington, Cook County

The Lincoln Park Zoological Zociety,
Chicago, Cook County

Museum of Science & Industry,
Chicago, Cook County

National Opinion Research Center,
Chicago, Cook County

Newberry Library,
Chicago, Cook County

Ravinia Festival Association,
Highland Park, Lake County

Shedd Aquarium Society,
Chicago, Cook County

Steppenwolf Theatre Company,
Chicago, Cook County

Chicago Children's Museum,
Chicago, Cook County

Chapin Hall Center for Children,
Chicago, Cook County

THE YEAR IN REVIEW

During the year ended June 30, 1996, the Authority provided assistance to twenty seven (27) degree granting private, not for profit institutions of higher education and fifteen (15) private, not for profit institutions or museums engaged in cultural, scientific, or artistic enrichment of the people of the State. This assistance consisted of providing qualified institutions access to tax-exempt financial markets through the issuance of revenue bonds secured solely by the pledge of the revenues from loans made to the institutions with the proceeds of such bonds. The Authority administered sixty five (65) bond issues, including three (3) pooled issues serving eighteen (18) participants, plus six (6) bond issues from the Illinois Independent Higher Education Loan Authority which was merged into the Authority in 1988. The Authority also administered sixteen (16) outstanding defeased (off balance sheet) bond issues. The Authority's 71 bond issues were originally issued in the total aggregate principal amount of $1,479,225,619 with $1,316,265,014 of these remaining outstanding. The sixteen (16) defeased bond issues were originally issued in the total aggregate amount of $414,659,016 with $272,420,195 remaining outstanding.

The Authority has not had a bond issue in default since its first issue in 1973. All interest payments have been made per schedule, with all bond redemptions being made either prior to or per schedule. In the fiscal year ended June 30, 1996, the Authority redeemed $78,975,000 of its bonds and paid $68,084,590 in interest to its bond holders.

In the fiscal year ended June 30, 1996, the Authority disbursed $369,132 for administrative expenses, while receiving $420,715 in service fees and $37,017 of investment income. The Authority's operations are funded solely by the institutions participating in its programs. The Authority receives no tax support or appropriation from the Illinois legislature.

The Authority provided $119,619,000 in new financial assistance for projects undertaken by nine constituent institutions through five new issuances of revenue bonds and notes. The names of the institutions on whose behalf the Authority issued bonds during the fiscal year ended June 30, 1996, the nature of the projects financed, and the amount of each financing, are set forth below:

The Art Institute of Chicago

On February 22, 1996, the Authority authorized the issuance of not to exceed $35,000,000 in aggregate principal amount of Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, The Art Institute of Chicago, Series 1996, to refinance Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, The Art Institute of Chicago, Series 1987 and to finance the Art Institute of Chicago's cost of acquiring and installing a core management information system to be located in the main museum complex at 111 South Michigan Avenue, Chicago, Illinois. Bonds in the amount of $33,300,000 were issued and sold on March 27, 1996.

The Arts Club of Chicago

On November 21, 1995, the Authority authorized the issuance of $9,000,000 in Illinois Educational Facilities Authority Revenue Bonds, The Arts Club of Chicago, Series 1995 and the loan of the proceeds to The Arts Club of Chicago to acquire real estate commonly known as 201 East Ontario, Chicago, Illinois, and to construct and equip a two story, 18,000 square foot building housing a gallery, salon/auditorium, dining room and kitchen. On February 22, 1996, the Authority amended its approval of the loan to the Arts Club of Chicago to change the terms from a fixed rate to variable rate of interest and to change the name of the bonds to be issued to Illinois Educational Facilities Authority Adjustable Rate Demand Revenue Bonds, The Arts Club of Chicago, Series 1996. Bonds in the amount of $8,900,000 were issued and sold on March 13, 1996.

Chicago Zoological Society (Brookfield Zoo)

On November 21, 1995, the Authority authorized the issuance of not to exceed $11,000,000 in Illinois Educational Facilities Authority Revenue Bonds, Chicago Zoological Society (Brookfield Zoo Project), Series 1995A and Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, The Chicago Zoological Society (Brookfield Zoo Project), Series 1995B, and gave final approval to the loan of the proceeds to Chicago Zoological Society to construct the Penguin Coast Enterprise Facility, to expand its North Gate Entrance, to make parking and traffic flow improvements, to replace the Zoo's Motor Safari Tram System, to construct a natural gas-fired electrical generation system, and to improve utility services, all located on the grounds of the zoo at 840 W. 31st Street, Brookfield, Illinois. Bonds in the amount of $10,000,000 were issued and sold on December 7, 1995.

The Children's Memorial Hospital

On November 21, 1995, the Authority authorized $32,000,000 in financial assistance for The Children's Memorial Hospital from the Authority's Commercial Paper Pooled Financing Program to finance the Hospital's acquisition of hospital equipment, upgrading of building enclosures and mechanical systems, miscellaneous renovations of existing facilities and various ongoing routine capital expenditures, all located on the Hospital's campuses in Chicago, Westchester and Glenview, Illinois.

Commercial Paper Pooled Financing Program

On November 21, 1995, the Authority authorized the issuance of $115,000,000 in Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program) and the loan of the proceeds to The Children's Memorial Hospital, The Lincoln Park Zoological Society, Loyola University of Chicago, Northwestern University and The University of Chicago. The initial tranche of commercial paper in the amount of $23,300,000 was issued and sold on November 30, 1995.

On February 22, 1996, the Authority authorized an increase of $18,200,000 in the amount of financial assistance to be provided Northwestern University through the Authority's Commercial Paper Pooled Financing Program in order to refund the University's Series 1974, 1976 and 1977 Notes and approved a concomitant increase in the authorized amount of Illinois Educational Facilities Authority Commercial Paper Revenue Notes (Pooled Financing Program) which would be issued to fund the Commercial Paper Pool.

John F. Kennedy Health Care Foundation, Inc.

On July 27, 1995, the Authority authorized the issuance of not to exceed $14,000,000 in Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, John F. Kennedy Health Care Foundation, Inc., Series 1995 to finance the construction and furnishing of a 85,000 square foot health education center to be known as JFK Health World at 1301 South Grove Avenue, Barrington, Illinois. The purpose of the health education center will be to teach children about health related topics of interest and to encourage good health in children through education. The health education center will house a museum with interactive exhibits, library resource center, high-tech classrooms, and 120-seat auditorium. Bonds in the amount of $12,800,000 were issued and sold on August 17, 1995.

Lincoln Park Zoological Society

On November 21, 1995, the Authority authorized $16,000,000 in financial assistance for Lincoln Park Zoological Society from the Authority's Commercial Paper Pooled Financing Program to finance the Society's renovation, repair and improvement of its Zoo Center, Visitor Center, Landmark Gardens, Sea Lion Pool, small mammal/reptile house, Conservation Center, program management facilities, Gateway Pavilion, education center, retail shop and various animal displays such as the swan gardens and pond, the lion and tiger habitat, the Mexican wolf habitat, and the sea bird and penguin house, all located on the grounds of the zoo at 2200 North Canon Drive, Chicago, Illinois.

Loyola University of Chicago

On November 21, 1995, the Authority authorized $39,410,000 in financial assistance for Loyola University of Chicago from the Authority's Commercial Paper Pooled Financing Program to refinance outstanding maturing debt.

Northwestern University

On November 21, 1995, the Authority authorized $18,060,000 in financial assistance for Northwestern University from the Authority's Commercial Paper Pooled Financing Program to refinance outstanding maturing debt. On February 22, 1996, the Authority authorized an increase of $18,200,000 in the amount of financial assistance to be provided Northwestern University through the Authority's Commercial Paper Pooled Financing Program in order to refund the University's Series 1974, 1976 and 1977 Notes to the Authority.

The University of Chicago

On November 21, 1995, the Authority authorized $8,625,000 in financial assistance for The University of Chicago from the Authority's Commercial Paper Pooled Financing Program to refinance outstanding maturing debt.

* * *

Other institutions received financial assistance from the Authority by virtue of bonds issued in prior fiscal years. A summary of that activity is attached in the report prepared by the Authority's accountant entitled Summary of Assistance and Operations for the Year Ended June 30, 1996, and more detailed information will be found in the Authority's Financial Statements.

* * *

As part of its continuing effort to improve the services it provides to its constituent institutions, the Authority also undertook the following significant activities:

Field Museum of Natural History

On May 14, 1996, the Authority approved the Field Museum's request to finance the following additional projects with $7,900,000 from the proceeds of the Illinois Educational Facilities Authority Adjustable Demand Revenue Bonds, Field Museum of Natural History, Series 1990: the investigation of the ground floor slab settling problem; the repair and replacement of 5.5 acres of roof, all ground floor ceilings, all carpeting, and loading dock beams and other structural elements; the restoration of exterior marble; the replacement of building water, electric and life safety mechanical systems; the redesign of the south entrance and improvement of visitor services; and the construction of administrative offices, specialized storage facilities, Living Together exhibit, Life Underground exhibit and a new, highly flexible suite of galleries for special exhibits, all located in the museum building on Lake Shore Drive, Chicago, Illinois.

Midwestern University

On July 27, 1995, the Authority approved the substitution of projects to be financed with the proceeds of Illinois Educational Facilities Authority Revenue Bonds, Chicago Osteopathic Health Systems, Series 1992. The new projects are all located on the University's Downer's Grove campus and include the purchase and upgrading of computers; the purchase of medical, scientific and audio-visual equipment; the purchase of office furniture and equipment; the renovation of various campus buildings including the library, the gymnasium and pool, the science building, administrative and faculty offices, and the student center; roadway and parking lot improvements; and electrical system upgrades.

Review of Operations and Services - Cultural Pooled Financing Program

On July 27, 1995, following a competitive biding process, the Authority approved First National Bank of Chicago's replacement of Commonwealth Bank of Australia as the provider of the wrapping letter of credit on the Authority's Cultural Pooled Financing Program. The substitution reduced the cost of the wrapping letter of credit by 45 basis points, saving participating institutions $90,000 per year.

Review of Operations and Services - University Pooled Financing Program

On July 27, 1995, following a competitive biding process, the Authority approved First National Bank of Chicago's replacement of Sakura Bank as the provider of the liquidity facility on the Authority's University Pooled Financing Program. The substitution reduced the cost of the liquidity facility by 29 basis points, savings participating institutions $164,000 per year.

BERG, DEMARCO, LEWIS, SAWATSKI & CO.
A Professional Corporation *Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying balance sheet, statement of revenues, expenses and changes in fund equity and cash flows, of the Illinois Educational Facilities Authority, a component unit of the State of Illinois, as of June 30, 1996 and for the year then ended. These financial statements are the responsibility of the Illinois Educational Facilities Authority management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Educational Facilities Authority as of June 30, 1996 and the results of its operations and its cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 18, 1996 on our consideration of the Illinois Educational Facilities Authority internal control structure and a report dated October 18, 1996 on its compliance with laws and regulations.

Berg, DeMarco, Lewis, Sawatski & Co.

October 18, 1996

630 Dundee Road Suite 425 Northbrook, Illinois 60062-2745 (847) 291-9600
FAX: (847) 291-9693

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State of Illinois
ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
BALANCE SHEET

JUNE 30, 1996
(With Comparative Actual Amounts at June 30, 1995)

	Proprietary Fund Type Enterprise Fund	
	1996	1995
OPERATING FUND (#1163)		
ASSETS		
Cash and cash equivalents	$ 35,370	$ 101,128
Investments	654,620	477,388
Receivable from participating institutions	-	9,000
Total assets	$ 689,990	$ 587,516
LIABILITIES AND FUND EQUITY		
Accounts payable	$ 41,946	$ 28,072
Fund equity	648,044	559,444
Total liabilities and fund equity	$ 689,990	$ 587,516

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See accompanying notes to financial statements.

State of Illinois
ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

FOR THE YEAR ENDED JUNE 30, 1996
(With Comparative Actual Amounts for the Year
Ended June 30, 1995)

	Proprietary Fund Type Enterprise Fund	
	1996	1995
Operating Fund (#1163)		
Revenues		
Service fees	$ 420,715	$ 416,800
Expenses		
Administrative	195,155	158,315
Accounting and technical	150,701	171,210
Legislative consultant	10,000	16,000
Financial advisor	5,000	5,000
Office supplies	716	618
Surety bond	1,075	1,275
Travel and other	6,485	8,581
Total expenses	369,132	360,999
Operating income	51,583	55,801
Other income		
Investment income	37,017	28,820
Net income	88,600	84,621
Fund equity, July 1	559,444	474,823
Fund equity, June 30	$ 648,044	$ 559,444

See accompanying notes to financial statements.

State of Illinois
ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 1996
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1995)

	Proprietary Fund Type Enterprise Fund	
	1996	1995
Operating Fund (#1163)		
Cash Provided by (Used In) Operating Activities		
Service fees received	$ 429,715	$ 416,800
Legal expenses paid	(179,849)	(190,609)
Professional and technical expenses paid	(152,133)	(176,869)
Legislative consultant expenses paid	(10,000)	(18,000)
Financial advisor fees paid	(5,000)	(5,000)
Surety bond expenses paid	(1,075)	(1,275)
Office supplies expenses paid	(716)	(618)
Travel and other expenses paid	(6,485)	(8,581)
Net cash provided by (used in) operating activities	74,457	15,848
Cash Provided by (Used In) Investing Activities		
Maturities of investment	770,766	741,034
Purchases of investment	(940,506)	(922,043)
Investment income received	29,525	24,233
Net cash used in investing activities	(140,215)	(156,776)
Net decrease in cash and cash equivalents	(65,758)	(140,928)
Cash and cash equivalents, July 1	101,128	242,056
Cash and cash equivalents, June 30	$ 35,370	$ 101,128

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See accompanying notes to financial statements.

State of Illinois
ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS (CONT.)

FISCAL YEAR ENDED JUNE 30, 1996
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 1995)

	1996	1995
Reconciliation of Operating Income To Net Cash Provided By Operating Activities		
Operating income	$ 51,583	$ 55,801
Adjustments to reconcile operating income to net cash provided by operating activities:		
Decrease in accounts receivable and unbilled annual service fees receivable	9,000	-
Increase (decrease) in accounts payable	13,874	(39,953)
Net cash provided by operating activities	$ 74,457	$ 15,848

See accompanying notes to financial statements.

State of Illinois
ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 1996

A. AUTHORIZING LEGISLATION

The Illinois Educational Facilities Authority (the Authority) is a body politic and corporate created by an Act of the General Assembly of the State of Illinois (110 ILCS 1015 et seq.) The Authority was created for the purpose of providing tax-exempt financing for the acquisition or construction of educational facilities or education loans for private institutions of higher education, certain related not-for-profit academic institutions, private cultural institutions, and education loan corporations within Illinois. The Authority is composed of seven members appointed by the Governor of the State of Illinois.

The Authority is authorized to issue limited obligation revenue bonds payable solely from (a) rentals to be derived from leases to the institutions obtaining financing from the proceeds of such bonds or (b) payments of first mortgage notes or secured notes of such institution which were issued to the Authority to obtain such financing. The Authority's bonds are not general obligations of the Authority and do not represent or constitute a debt of the Authority or the State of Illinois.

The Authority's administered funds are not appropriated by the State of Illinois General Assembly and are not held in the State Treasury.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Financial Reporting Entity** - For financial reporting purposes, the operating fund of the Authority is a discretely presented component unit of the State of Illinois. Also, the Authority has adopted criteria under which its financial statements include all the organizations, activities, functions and component units for which the Authority is financially accountable. The criteria of financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Authority's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Authority. Based upon this criteria, the Authority has determined that no outside agency meets these conditions; therefore, no other agency has been included as a component unit in the Authority's financial statement.

2. **Fund Accounting** - The Authority's operating fund is locally held and administered, and is classified as a proprietary fund classified as an enterprise fund type. The fund is self-sustaining through various service fees which are used solely to pay the Authority's administrative expenses.

3. **Basis of Accounting and Measurement Focus** - Proprietary funds are accounted for using a flow of economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets and liabilities associated with the operation of the fund are included on the balance sheet. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized as incurred

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4. Cash Equivalents - The Authority uses the following definition for cash equivalents: Cash equivalents shall include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The types of securities to be treated as cash equivalents shall be as provided in GASB Statement No.9 and shall include, without limitation, commercial paper, certificates of deposit, money market funds, and cash management pools.

5. **Investments** - Investments are carried at cost or amortized cost, which approximates market value.

6. Comparative Data - Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the government's financial position and operations.

C. OPERATING FUND REVENUES

The Authority receives no appropriations from the State of Illinois, but is allowed to charge service fees to participating institutions in order to pay the Authority's necessary operating expenses. The Authority's service fees are as follows:

(a) Application fees - payable with application for consideration of a new bond issue; $250 for bond issues under $1,000,000; $500 for bond issues from $1,000,000 to $4,999,999; and $1,000 for bond issues of $5,000,000 and over.

(b) Administrative charge - due upon consummation of the bond issue - 1/4 of 1% of the principal amount of each newly closed bond issue to a maximum of $10,000, less application fee previously paid.

(c) Annual service fee - 2/100 of 1% of the principal amount of each bond issue due in advance annually each July 1.

D. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

The Authority is authorized to maintain accounts with various Illinois banks and savings & loan associations that are insured by the Federal Deposit Insurance Corporation (FDIC) per its enabling act.

D. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONT'D)

The Authority maintained accounts in the following banks as of June 30, 1996 and 1995:

Financial Institution	Account Type	June 30, 1996	June 30, 1995
Harris Bank	Checking	$ 11,977	$ 26,546
Harris Bank	Savings	2,304	3,782
NBD, Northfield Bank	Money Market	6,541	14,342
Seaway National Bank of Chicago	Money Market	7,370	7,711
The Northern Trust Company	Savings	7,178	48,747
Total deposits with the banking institutions per book records		35,370	101,128
Total deposits with the banking institutions per bank records		45,105	101,273
Difference between deposits per book records and deposits per bank records *		$ (9,735)	$ (145)

* The difference was due to checks issued by the Authority that did not clear the bank until after year end.

The accounts listed were insured to the $100,000 aggregate limit per bank by the FDIC. At June 30, 1996 and 1995 all accounts listed were fully insured.

The Authority is authorized to invest its excess funds in direct obligations of the United States of America; obligations as to which the timely payments of principal and interest is fully guaranteed by the United States of America; obligations of the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Federal National Mortgage Association, and Government National Mortgage Association; certificates of deposit or time deposits constitute direct obligations of any bank as defined by the Illinois Banking Act which are insured by the FDIC.

D. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (CONT'D)

The Authority held the following investments as of June 30, 1996 and 1995:

	Face Value	Cost	Market Value	Maturity Date
June 30, 1996 -				
U. S. Treasury Bills	$ 90,000	$ 86,451	$ 89,688	07/25/96
U. S. Treasury Bills	65,000	62,523	64,532	08/22/96
U. S. Treasury Bills	75,000	71,688	74,157	09/19/96
U. S. Treasury Bills	50,000	48,575	49,308	10/17/96
U. S. Treasury Bills	100,000	94,944	97,709	12/12/96
U. S. Treasury Bills	50,000	47,816	48,843	01/09/97
U. S. Treasury Bills	90,000	85,996	87,569	02/06/97
U. S. Treasury Bills	100,000	94,656	95,522	05/01/97
U. S. Treasury Bills	50,000	47,270	47,292	06/27/97
	$ 670,000	$ 639,919	$ 654,620	
June 30, 1995 -				
U. S. Treasury Bills	$ 50,000	$ 48,454	$ 49,771	07/27/95
U. S. Treasury Bills	50,000	48,453	49,711	08/03/95
U. S. Treasury Bills	20,000	18,912	19,750	09/21/95
U. S. Treasury Bills	70,000	67,912	68,887	10/05/95
U. S. Treasury Bills	85,000	82,038	83,532	10/19/95
U. S. Treasury Bills	61,000	59,216	59,735	11/16/95
U. S. Treasury Bills	100,000	96,564	97,356	12/14/95
U. S. Treasury Bills	50,000	48,639	48,646	01/11/96
	$ 486,000	$ 470,188	$ 477,388	

E. REVENUE BONDS ISSUED

The Authority issued five new series of revenue bonds totalling $119,619,000 in fiscal year 1996, with varying interest rates.

During fiscal year 1995, the Authority issued six new series of revenue bonds totalling $67,025,000, with varying interest rates.

The Authority and each qualified institution involved in a financing enter into agreements which provide, among other things, that such institutions will make payments in amounts and at times sufficient to pay principal and interest on the related bonds when due, will pay all expenses of issuance of such bonds and all trustees' fees in connection therewith, and will pay any costs of acquisition or construction of the facilities being financed which are in excess of the amount of bond proceeds available therefore. The Authority enters into a separate trust indenture with an Illinois bank or trust company for each bond issue, for the bank or trust company to serve as trustee for the receipt of bond proceeds, payments of interest and principal on the bonds, and maintenance of necessary bond fund records and accounts.

E. REVENUE BONDS ISSUED (CONT'D)

The Authority frequently retains or acquires a mortgage on or a security interest in the facilities being financed or the participating institution pledges securities sufficient to meet the collateral requirements of the underlying bond indenture until payment of all outstanding bonds or provision therefore is made.

Some participating institutions have pledged to the Authority or granted a security interest to the Authority in certain other assets, proceeds from government grants and pledges as additional security.

Changes in revenue bonds are as follows:

Balance - July 1, 1995	$ 1,337,415,730
Revenue bonds issued	119,619,000
Increase in capital appreciation bonds	1,000,284
Less, revenue bonds redeemed	(78,975,000)
Less, defeased revenue bonds	(62,795,000)
Balance - June 30, 1996	$ 1,316,265,014

Bonds outstanding as of June 30, 1996 (excluding the advance refunded issues) are scheduled to mature during the fiscal years ending June 30, as follows:

1997	$ 73,525,000
1998	29,899,000
1999	21,428,000
2000	24,621,000
2001	35,615,471
2002 through 2006	145,584,917
2007 through 2011	169,385,156
2012 through 2016	173,385,435
2017 through 2021	183,568,663
2022 through 2026	345,437,372
2027 through 2030	113,815,000
	$1,316,265,014

Generally, the bonds issued by the Authority have serial redemption features and interest paid on a semiannual or more frequent basis. However, the Authority's recent bond issues contain features, such as demand features, capital appreciation, and pooling arrangements. A summary of those features is presented below:

E. REVENUE BONDS ISSUED (CONT'D)

Bonds issued during fiscal year ended June 30, 1996:

John F. Kennedy Healthcare Foundation, Inc., Series 1995

The Authority issued $12,800,000 of principal bonds maturing December 1, 2025, in connection with this financing. These are adjustable rate bonds with interest rates being determined using any of the following modes: daily rate mode, floating rate mode, adjustable rate mode, or a fixed rate mode. Interest is determined on the basis of a 365 or 366 day year for actual days elapsed for interest rate modes lasting less than 366 days and a 360 day year for interest modes that exceed 365 days.

The bond proceeds were used to finance, refinance or reimburse the foundation for a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its cultural facilities; and pay a portion of the interest on the bonds.

Commercial Paper Pooled Financing

The Authority has outstanding at June 30, 1996 $54,619,000 principal amount of Commercial Paper Revenue Notes. The total aggregate principal amount of Notes that may be outstanding at any one time is limited to $106,000,000. The Notes will bear interest at Commercial Paper Rates. At June 30, 1996 the Notes bear interest at rates from 3.30% to 3.60%. The Notes outstanding at June 30, 1996 have maturity dates between July 12, 1996 and August 12, 1996. Except as otherwise provided, on each maturity date of any outstanding Notes the Authority shall issue one or more Rollover Notes for the purpose of refunding the principal of such maturing notes. Each Note will have a maturity of not less than one day or more than 270 days after its date of issuance.

Five institutions have borrowed from this program. Loans as of June 30, 1996 were:

Children's Memorial Hospital	$11,500,000
The Lincoln Park Zoological Society	9,000,000
Northwestern University	27,070,000
The University of Chicago	2,200,000
Loyola University of Chicago	4,849,000
	$54,619,000

A Loan and Security Agreement between the participating institution and the Authority was entered into at the time each loan was made.

E. REVENUE BONDS ISSUED (CONT'D)

The Chicago Zoological Society, Series 1995 A&B

The Authority issued $10,000,000 of bonds in two Series of $5,000,000 each. The Series 1995A bonds bear interest at rates from 4.30% to 6.10% payable each June 15 and December 15 of each year commencing December 15, 1995. The bonds are subject to annual redemptions with the final maturity on December 15, 2016.

The Series 1995B bonds are adjustable rate bonds with interest rates being determined using any of the following modes: monthly rate mode, weekly rate mode, adjustable long rate mode, or a fixed rate. Interest is determined on the basis of a 365 or 366 day year for actual days elapsed for interest rate modes lasting less than 366 days and a 360 day year for interest modes that exceed 365 days. The series 1995B bonds are subject to annual redemptions commencing December 15, 2016 with the final maturity on December 15, 2025.

The bond proceeds were used to finance, refinance, or reimburse the society a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain cultural facilities; and pay certain of the costs incurred in connection with the issuance of the Series 1995 A&B Bonds.

The Arts Club of Chicago, Series 1996

The Authority issued $8,900,000 of principal bonds maturing on January 1, 2026. These bonds are adjustable rate bonds with interest rates determined using any of the following modes: daily rate mode, floating rate mode, adjustable rate mode, or a fixed rate mode. Interest is determined on the basis of a 365 or 366 day year for actual days elapsed for interest rate modes lasting less than 366 days and a 360 day year for interest modes that exceed 365 days.

Bond proceeds were used to finance, refinance, or reimburse the Arts Club for a portion of the costs of the acquisition, construction, renovation, improvement, and equipping of certain of its cultural facilities; pay a portion of the interest on the bonds; and pay certain of the costs relating to the issuance of the bonds.

The Art Institute of Chicago, Series 1996

The Authority issued $33,300,000 of principal bonds maturing March 1, 2027. These bonds are adjustable rate bonds with interest rates determined using any of the following modes: daily rate mode, floating rate mode, adjustable rate mode, or a fixed rate mode. Interest is determined on the basis of a 365 or 366 day year for actual days elapsed for interest rate modes lasting less than 366 days and a 360 day year for interest modes that exceed 365 days.

E. REVENUE BONDS ISSUED (CONT'D)

The Art Institute of Chicago, Series 1996 (cont'd)

Bond proceeds were used to refund all outstanding Series 1987 Bonds; finance or reimburse the Institute for a portion of the costs of the acquisition, construction, renovation, improvement, and equipping certain cultural or educational facilities; pay a portion of the interest on the bonds; and pay certain of the costs relating to the issuance of the bonds and the refunding of the Series 1987 Bonds.

Capital Appreciation Bonds:

Loyola University of Chicago, Series 1991-A

$11,321,619 of capital appreciation bonds were issued with an approximate yield of 7.05%. All interest on these bonds is payable solely at maturity. At June 30, 1996, the accredit value of these bonds was $15,691,014. At maturity, the accredit value of these bonds will be $23,070,000.

Issue Amount	Rate per Annum	Maturity Date	6/30/96 Value	Maturity Amount
$4,129,922	6.05%	7/1/96	$5,550,000	$5,550,000
1,585,551	7.00%	7/1/02	2,230,199	3,370,000
1,260,533	7.00%	7/1/03	1,773,028	2,870,000
1,175,493	7.05%	7/1/04	1,657,375	2,885,000
3,170,120	7.10%	7/1/05	4,480,412	8,395,000
11,321,619			15,691,014	23,070,000

Authority Pooled Programs:

University Pooled Financing Program, Series 1985

The Authority issued $64,500,000 of principal amount in connection with this issuance. The interest rate on such bonds is variable unless such bonds are converted to a fixed rate at the request of the Authority and subject to the consent of the participating institutions. The varying interest rate is determined by a third party on a weekly basis. Bonds mature on December 1, 2005. However, any owner of a bond may, prior to conversion of the bonds to a fixed rate, require such bond (and any accrued interest thereon) to be purchased. A remarketing agent has been designated to resell any such purchased bonds.

E. REVENUE BONDS ISSUED (CONT'D)

Authority Pooled Programs (cont'd):

University Pooled Financing Program, Series 1985 (cont'd)

The bank bond purchase agreement has been entered into with a banking institution to enable payment of any bonds which cannot be remarketed. The maximum amount covered by the agreement is $66,355,480 (maximum principal of $64,500,000 plus 35 days of accrued interest not exceeding a rate of 30%). Such bonds held will bear interest at the Federal funds rate, unless such dollar day usage is in excess of $1,935,000: then such rate will be prime rate not exceeding 30%. The agreement expires December 1, 2001. Upon conversion of such bonds to a fixed interest rate, the bonds held by the bank are to be repurchased by paying the bank, in immediately available funds, an amount equal to the unpaid principal and accrued interest thereon.

Ten institutions have borrowed from this program. Loans as of June 30, 1995 and 1996 were:

North Central College	$ 945,000
Kendall College	1,123,728
Lake Forest College	3,094,990
Illinois Institute of Technology	2,495,000
North Central College (Second borrowing)	917,390
Rush-Presbyterian-St. Luke's Medical Center	10,000,000
Lincoln University	1,560,000
Knox College	0
Trinity Christian College	1,755,000
Elmhurst College	2,735,000
Northwestern University	8,000,000
Northwestern University (Second borrowing)	8,000,000
Illinois Institute of Technology (Second borrowing)	2,735,000
Knox College (Second borrowing)	0
	$43,361,108

A Loan and Security Agreement between the participating institution and the Authority was entered into at the time each loan was made.

At June 30, 1996, the entire amount of the Pooled Project Fund was borrowed by the ten institutions listed above.

E. REVENUE BONDS ISSUED (CONT'D)

Cultural Pooled Financing Program, Series 1985

The Authority issued $20,000,000 of principal bonds in connection with this financing. The interest rate on such bonds is variable unless such bonds are converted to a fixed rate at the request of the Authority. The varying interest rate is determined by a third party upon the period decided by the Authority.

Daily Mode Period or Weekly Mode Period - Interest is determined on a weekly basis and is required to be paid on the first day of each month.

Monthly Mode Period - Interest is determined on a calendar month basis and is required to be paid on the first day of each month.

Flexible Mode Period - Interest is determined for the period designated by the Authority. Such period is to be between 1 and 180 days. Interest is required to be paid at the end of each period.

Semiannual Mode Period - Interest is determined on a semiannual basis and is required to be paid every June 1 and December 1.

Long Mode Period - Interest is determined for the period designated by the Authority, which may be in excess of one year. Interest is required to be paid every June 1 and December 1.

Any owner of a bond may, prior to conversion of the issue to a fixed interest rate, require such bond (and any accrued interest thereon) to be purchased in any period except during a flexible mode period. A remarketing agent has been designated to resell any such purchased bonds.

A bond purchase agreement has been entered into with a banking institution. Under the terms of the agreement, which expires December 31, 2004 (or earlier as defined in the agreement), any purchased bonds not remarketed are to be purchased by the banking institution under the terms set forth in the agreement. These bonds will bear an interest rate of 75% or 100% of the bank's corporate base rate, dependent on the time period such bonds are held. The maximum amount of bonds covered under the agreement is $20,000,000, less any principal redeemed.

Upon conversion of such bonds, to a fixed interest rate, the bonds held by the bank are to be repurchased by paying the bank, in immediately available funds, an amount equal to the unpaid principal and accrued interest thereon.

E. REVENUE BONDS ISSUED (CONT'D)

Cultural Pooled Financing Program, Series 1985 (cont'd)

Five institutions have borrowed from the program. Loans as of June 30, 1996 are:

National Opinion Research Center	2,451,654
Northwestern University	9,736,908
Museum of Science and Industry	736,111
	$12,924,673

A Loan and Security Agreement between the participating institution and the Authority was entered into at the time each loan was made.

At June 30, 1996, the Cultural Pool had $3,667,065 available in its project funds to lend to qualifying institutions.

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F. BOND FUNDS

As of June 30, 1996, the revenue bonds outstanding, accrued interest payable on these bonds, related balances of assets held by trustees and receivables under contractual agreements with participating institutions were as follows:

Bond Issue	Bond Interest Rates on Remaining Principal	
Lewis University, Series A	7.00% to	7.25%
Northwestern University, Series A	5.50% to	6.25%
Dr. Scholl College of Podiatric Medicine, Series A & B	6.25% to	7.375%
MacMurray College, Series A	7.80%	
Illinois College of Optometry, Series 1983	Various	
Illinois College of Optometry, Series 1985	Various	
Museum of Science & Industry, Series 1985	Various	
Field Museum of Natural History, Series 1985	Various	
University of Chicago, Series 1985	5.70% to	6.10%
Chicago Historical Society, Series 1985	Various	
University Pooled Financing, Series 1985	Various	
Cultural Pooled Financing, Series 1985	Various	
Northwestern University, Series 1985	Various	
DePaul University, Series 1987-A & B	5.90% to	7.00%
Illinois Institute of Technology, Series 1987-A & B	7.30% to	8.75%
Shedd Aquarium Society, Series 1987-A & B	Various	
Northwestern University, Series 1988	Various	
Newberry Library, Series 1988	Various	

Bonds Outstanding	Accrued Interest Payable	Construction Funds	Debt Service Funds
$760,000	$27,156	-	$280,944
3,290,000	66,062	-	719,518
1,460,000	8,898	-	327,112
1,445,000	9,392	-	244
22,500,000	62,920	-	2,498,833
2,500,000	6,991	-	266,665
6,100,000	38,092	-	464,068
10,300,000	26,439	-	825,693
85,250,000	405,021	-	10,768,821
12,700,000	32,600	-	928,576
54,190,000	143,248	5,219	11,091,615
20,000,000	51,093	3,818,018	3,362,267
38,300,000	113,095	-	361,043
28,285,000	480,204	-	-
6,845,000	48,931	-	-
36,810,000	900,938	-	1,358,029
47,000,000	122,444	-	-
5,815,000	14,927	-	-

F. BOND FUNDS (CONT'D)

Bond Issue	Bond Interest Rates on Remaining Principal
Augustana College, Series 1988	Various
Aurora University, Series 1989	Various
Loyola University of Chicago, Series 1989	5.00% to 7.40%
DePaul University, Series 1989-A	6.90% to 7.375%
Steppenwolf Theatre Company, Series 1989	9.65%
Chicago Historical Society, Series 1989	Various
National College of Education, Series 1989	Various
Illinois Institute of Technology, Series 1990-A	Various
Field Museum of Natural History, Series 1990	Various
Elmhurst College, Series 1991	Various
Loyola University of Chicago, Series 1991-A	6.20% to 7.125%
Lake Forest College, Series 1991	5.80% to 6.75%
Monmouth College, Series 1991	6.59%
Bradley University, Series 1991 & 1993 A-C	Various
DePaul University, Series 1992	Various
Museum of Science and Industry, Series 1992	Various
Columbia College, Series 1992	5.00% to 6.875%
Art Institute of Chicago, Series 1992	Various
University of Chicago, Series 1993	4.20% to 5.00%
Columbia College, Series 1993	5.00% to 6.125%
Knox College, Series 1993	Various
Northwestern University, Series 1993	Various
Art Institute of Chicago, Series 1993	4.50% to 5.80%

Bonds Outstanding	Accrued Interest Payable	Construction Funds	Debt Service Funds
10,300,000	16,058	-	393
2,600,000	7,407	-	-
16,240,000	518,718	-	307,805
22,940,000	418,900	-	-
4,025,000	194,206	-	689,126
10,200,000	26,383	-	26,441
16,700,000	42,503	2	-
44,600,000	123,259	61	-
20,000,000	102,732	7,576,964	13
4,285,000	49,492	-	-
113,016,014	3,357,494	-	-
9,525,000	159,972	-	879,459
690,000	15,157	-	-
18,625,000	116,643	-	7,604,677
56,500,000	156,147	-	-
15,000,000	210,938	-	112
24,080,000	129,967	-	2,007,481
18,000,000	46,893	-	-
5,840,000	164,000	-	200,000
9,145,000	45,952	-	736,709
2,650,000	38,094	-	-
77,885,000	345,780	-	5
22,290,000	422,503	-	1,599,711

F. BOND FUNDS (CONT'D)

Bond Issue	Bond Interest Rates on Remaining Principal
Loyola University of Chicago, Series 1993	Various
National-Louis University, Series 1993	Various
Illinois Wesleyan University, Series 1993	3.90% to 5.70%
University of Chicago, Series 1993-B	5.50% to 5.60%
University of Chicago, Series 1993-C	3.85% to 5.00%
Eureka College, Series 1994	Various
Lewis University, Series 1994	4.50% to 6.00%
Lake Forest College, Series 1994	Various
Illinois Institute of Technology, Series 1994	4.90% to 6.875%
Chicago Children's Museum, Series 1994	Various
Chapin Hall Center for Children, Series 1994	6.73% then Various
The Art Institute of Chicago, Series 1995	Various
Ravinia Festival Association, Series 1995	Various
North Central College, Series 1995	5.60% to 6.70%
John F. Kennedy Health Care Foundation, Inc., Series 1995	Various
Commercial Paper Pooled Financing	Various
The Chicago Zoological Society, Series 1995-A & B	Various
The Arts Club of Chicago, Series 1996	Various
The Art Institute of Chicago, Series 1996	Various
Originally issued by the Illinois Independent Higher Education Loan Authority (IIHELA) *	
Northwestern University, Series 1982	Various
Knox College, Series 1983	Various
Northwestern University, Series 1983	8.00%
University of Chicago, Series 1985	7.50%
Knox College, Series 1985	Various

* On August 31, 1988, the Governor of the State of Illinois signed into law House Bill #3748 merging the Illinois Independent Higher Education Loan Authority (IIHELA) into the Authority. IIHELA was abolished with its powers and duties being transferred to the Authority.

Bonds Outstanding	Accrued Interest Payable	Construction Funds	Debt Service Funds
75,625,000	2,053,372	-	301
7,300,000	18,579	6	-
34,850,000	638,189	214,301	462
36,975,000	1,029,650	-	-
17,475,000	406,119	-	-
4,700,000	122,604	-	-
14,125,000	205,003	1,116,000	1,035,797
855,000	1,521	-	-
14,670,000	78,849	-	1,513,223
6,700,000	17,198	133	87
5,500,000	185,075	181,346	250,707
24,000,000	62,525	2,405,292	546,784
9,500,000	25,261	1	-
3,730,000	59,081	80,431	827
12,800,000	68,581	603,922	32,349
54,619,000	466,489	18,813,414	369,807
10,000,000	26,128	7,271,865	25
8,900,000	22,846	4,192,011	146,580
33,300,000	86,753	2,677,582	402,874
10,000,000	26,934	-	-
-	-	-	2,551
20,000,000	133,333	-	13
1,730,000	64,875	-	1,522,145
225,000	3,954	-	81,494
$1,316,265,014	$15,070,568	$48,956,568	$ 53,211,386

G. ADVANCE REFUNDING

From time to time, a portion or all of the proceeds from newly issued revenue bonds are used to advance refund previously issued revenue bonds. These proceeds are used to purchase investments in U. S. Government securities in such amounts and maturities to meet scheduled payments of bond principal and interest when due. When such amounts are placed in escrow, the trustee for the previous bonds will release the Authority of all obligations under the terms of such previous trust indenture.

The above constitutes a defeasance (extinguishment) of debt on the part of the institution. The following bond issues were defeased at June 30, 1996:

Bond Issue	Defeasement Date	June 30, 1996 Bonds Outstanding	June 30, 1996 Amount Escrowed
University of Chicago,			
Series A	09/02/87	$ 6,055,000	$5,548,628
Series 1977 Due August 1, 2005, 2006, & 2007	12/22/93	6,495,000	6,520,900
Series 1985 Converted to Fixed Rate in 1986, Due on or after 12/01/97	12/22/93	27,500,000	28,103,303
Loyola University of Chicago,			
Series 1979	11/20/84	10,025,000	7,178,220
Series 1984-B			
Floating/Fixed Rate	06/22/93	17,230,000	17,519,690
Series 1984-A	06/22/93	6,208,813	16,531,814
Series 1984-A	07/28/93	11,431,382	15,229,350
Series 1991-A	06/22/93	26,630,000	30,084,210
Illinois Institute of Technology,			
Series 1977	11/26/85	2,700,000	2,526,000
Chicago College of Osteopathic Medicine,			
Series 1975-A	12/12/85	18,025,000	18,475,033
Series 1988	06/04/92	11,000,000	12,153,805
Series 1992	10/05/95	36,835,000	38,061,025
Columbia College,			
Series 1988	07/01/92	5,140,000	5,301,686
Northwestern University,			
Series 1985	05/13/93	66,400,000	69,211,726
Series 1977	04/12/96	20,745,000	21,712,055

H. COMMITMENTS AND CONTINGENCIES

The costs of projects financed by the Authority are often in excess of the proceeds realized from the issuance of revenue bonds. The participating institutions agree to furnish the funds required to complete the acquisition or construction of the financed projects.

I. COLLATERAL ARRANGEMENTS

Under the terms of the trust indentures, certain of the participating institutions' assets are pledged in collateral arrangements. These arrangements vary by participating institution and include, as collateral requirements, the following type of pledged assets:

Land and buildings of the participating institution
Investments in separate security funds
Operating equipment
Certain real estate owned by the institution

Generally, such collateral, including investments in separate security funds, is available to the bondholders only upon declaration of an event of default as defined by the applicable trust indenture.

Bond Issues Requiring Security Funds

MacMurray College, Series A	$2,987,104
Museum of Science and Industry, Series 1985	117,347
Field Museum of Natural History, Series 1985	299,840
University of Chicago, Series 1985	2,000,000
Chicago Historical Society, Series 1985	230,126
University Pooled Financing Program, Series 1985	397,182
Cultural Pooled Financing Program, Series 1985	194,661
Loyola University of Chicago, Series 1991-A	1,572,578
Northwestern University, Series 1993	1,300,679
Loyola University of Chicago, Series 1993	1,362,629
Knox College, Series 1983 (IIHELA)	291,531

At June 30, 1996, no events of default have been declared with respect to any revenue bond issue.

J. REBATE FUND; ARBITRAGE REBATE REQUIREMENT

Provision has been made in certain revenue bond documents for bonds issued after October 1986, requiring each applicable participating institution or trustee to conduct certain investment yield tests to determine if possible excess (arbitrage) earnings have been realized from the investment of revenue bond proceeds. The yield tests are accumulative in nature over the life of the revenue bond issue.

J. REBATE FUND; ARBITRAGE REBATE REQUIREMENT (CONT'D)

When it is determined that a revenue bond issue has arbitrage earnings, the arbitrage earnings are removed from the trust funds and placed in a non-trust "Rebate Fund" with the trustee, controlled by the participating institution. Should subsequent tests determine that additional arbitrage earnings had accumulated in the trust funds, the excess would be withdrawn from the trust funds and added to the "Rebate Fund." Conversely, if subsequent tests determined yields to be below the arbitrage limits, this difference would be withdrawn from the "Rebate Fund" and returned to the revenue bond funds.

Within sixty days after the fifth year test date, the trustee is required to rebate to the United State Treasury, 90% of the balance in the "Rebate Fund." This payment procedure is repeated within 60 days of the final payment of the revenue bond principal and interest with the balance remaining in the "Rebate Fund" being rebated to the United States Treasury.

In the fiscal year ended June 30, 1996 the participating institutions were not required to make payments to the appropriate "Rebate Funds."

K. SUBSEQUENT EVENTS AND OTHER

On July 1, 1996, Loyola University of Chicago, fully redeemed its Series 1989-C revenue bonds, in the amount of $310,000.

On July 1, 1996, Northwestern University fully redeemed its previously defeased Series 1977 revenue bonds in the amount of $20,745,000.

On August 18, 1996, the Authority issued $23,000,000 revenue bonds on behalf of Midwestern University. The proceeds were used by the University to (i) finance, refinance or reimburse itself for a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its educational facilities and (ii) refinance certain indebtedness incurred by the University, the proceeds of which were used to defease a portion of the Series 1992 bonds.

The Authority contracts for the services of its Executive Director from a law firm. During Fiscal 1996, approximately $195,000 in expenses were incurred from this firm for administrative and legal services (including reimbursable expenses). At June 30, 1996, $36,806 was payable to the firm.

* * * * *

BERG, DEMARCO, LEWIS, SAWATSKI & CO.
A Professional Corporation *Certified Public Accountants*

Independent Auditor's Report on Additional Information

Honorable William G. Holland
Auditor General
State of Illinois

Our report on our audit of the basic financial statements of the Illinois Educational Facilities Authority for 1996 appears on pages 1 to 22 or preceding pages. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Revenue Bonds Outstanding presented on pages 24 to 33 is for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Berg, DeMarco, Lewis, Sawatski & Co

October 18, 1996

630 Dundee Road Suite 425 Northbrook, Illinois 60062-2745 (847) 291-9600
FAX: (847) 291-9693

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ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	Lewis University Series A	Northwestern University Series A	Dr. Scholl College of Podiatric Medicine Series A
Maturity Date	July 1, 2007	March 1, 2004	June 1, 2004
Trustee	American National Bank & Trust Company of Chicago	First National Bank of Chicago	American National Bank & Trust Company of Chicago
Interest Rate on Remaining Maturities	7.0% to 7.25%	5.5% to 6.25%	7.37%
Original Issue	$1,250,000	$7,300,000	$2,800,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	490,000	4,010,000	1,420,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$760,000	$3,290,000	$1,380,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$45,000	$330,000	$130,000
1998	45,000	350,000	140,000
1999	50,000	375,000	155,000
2000	55,000	400,000	165,000
2001	55,000	420,000	175,000
2002	60,000	445,000	190,000
2003	65,000	470,000	205,000
2004-2013	385,000	500,000	220,000
2014-2023	0	0	0
2024-2030	0	0	0
	$760,000	$3,290,000	$1,380,000

Dr. Scholl College of Podiatric Podiatric Medicine Series B	MacMurray College Series A	Illinois College of Optometry Series 1983	Illinois College of Optometry Series 1985	Museum of Science & Industry Series 1985
June 1, 1997	June 1, 2003	January 1, 2018	January 1, 2018	Nov. 1, 2015
American National Bank & Trust Company of Chicago	Amalgamated Trust & Savings Bank	Bank of America Illinois	Bank of America Illinois	First National Bank of Chicago
6.25%	7.8%	Various	Various	Various
$1,000,000	$3,100,000	$22,500,000	$2,500,000	$7,000,000
0	0	0	0	0
920,000	1,655,000	0	0	900,000
0	0	0	0	0
$80,000	$1,445,000	$22,500,000	$2,500,000	$6,100,000
$80,000	$ 165,000	$0	$0	$100,000
0	175,000	0	0	100,000
0	190,000	0	0	200,000
0	205,000	0	0	200,000
0	220,000	0	0	200,000
0	235,000	0	0	200,000
0	255,000	0	0	200,000
0	0	0	0	3,300,000
0	0	22,500,000	2,500,000	1,600,000
0	0	0	0	0
$80,000	$1,445,000	$22,500,000	$2,500,000	$6,100,000

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	Field Museum of Natural History Series 1985	University of Chicago Series 1985	Chicago Historical Society Series 1985
Maturity Date	Nov. 1, 2025	Dec. 1, 2025	Dec. 1, 2025
Trustee	First National Bank of Chicago	First National Bank of Chicago	American National Bank & Trust Company of Chicago
Interest Rate on Remaining Maturities	Various	5.7% to 6.1%	Various
Original Issue	$17,800,000	$128,500,000	$13,400,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	7,500,000	43,250,000	700,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$10,300,000	$85,250,000	$12,700,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$0	$250,000	$100,000
1998	0	0	100,000
1999	0	0	100,000
2000	0	0	100,000
2001	0	0	100,000
2002	0	0	100,000
2003	0	0	100,000
2004-2013	0	250,000	2,500,000
2014-2023	6,000,000	8,250,000	6,200,000
2024-2030	4,300,000	76,500,000	3,300,000
	$10,300,000	$85,250,000	$12,700,000

University Pooled Financing Series 1985	Cultural Pooled Financing Series 1985	Northwestern University Series 1985	DePaul University Series 1987 A&B	Illinois Institute of Technology Series 1987 A&B
Dec. 1, 2005	Dec. 1, 2025	Dec. 1, 2025	October 1, 2015	June 1, 2015
LaSalle National Bank	LaSalle National Bank	LaSalle National Bank	Bank of America Illinois	Harris Trust & Savings Bank
Various	Various	Various	5.9% to 7.0%	7.3% to 8.75%
$64,500,000	$20,000,000	$109,100,000	$36,630,000	$12,535,000
0	0	0	0	0
10,310,000	0	70,800,000	8,345,000	5,690,000
0	0	0	0	0
$54,190,000	$20,000,000	$38,300,000	$28,285,000	$6,845,000
$1,266,000	$0	$900,000	$1,100,000	$155,000
1,389,000	0	1,000,000	1,170,000	170,000
1,538,000	0	1,100,000	1,175,000	180,000
1,696,000	0	0	1,270,000	195,000
3,875,000	0	0	1,350,000	210,000
4,066,000	0	0	1,425,000	0
6,781,000	0	0	1,510,000	0
33,579,000	0	0	14,535,000	1,370,000
0	0	8,700,000	4,750,000	4,565,000
0	20,000,000	26,600,000	0	0
$54,190,000	$20,000,000	$38,300,000	$28,285,000	$6,845,000

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	Shedd Aquarium Society Series 1987A	Shedd Aquarium Society Series 1987B	Northwestern University Series 1988
Maturity Date	July 1, 2017	July 1, 2027	March 1, 2028
Trustee	First National Bank of Chicago	First National Bank of Chicago	First National Bank of Chicago
Interest Rate on Remaining Maturities	7.5% to 8.625%	Various	Various
Original Issue	$20,175,000	$18,000,000	$47,500,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	1,365,000	0	500,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$18,810,000	$18,000,000	$47,000,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$330,000	$0	$200,000
1998	355,000	0	200,000
1999	380,000	0	200,000
2000	410,000	0	200,000
2001	445,000	0	200,000
2002	480,000	0	300,000
2003	520,000	0	300,000
2004-2013	8,320,000	0	5,900,000
2014-2023	7,570,000	0	18,600,000
2024-2030	0	18,000,000	20,900,000
	$18,810,000	$18,000,000	$47,000,000

Newberry Library Series 1988	Augustana College Series 1988	Aurora University Series 1989	Loyola University of Chicago Series 1989 A-C	Loyola University of Chicago Series 1989 D
March 1, 2028	July 1, 2018	January 1, 2009	July 1, 2015	July 1, 1999
First National Bank of Chicago	LaSalle National Bank	Old Second National Bank of Aurora	First National Bank of Chicago	First National Bank of Chicago
Various	Various	Various	5.0% to 6.5%	7.2% to 7.4%
$5,815,000	$15,000,000	$3,100,000	$24,565,000	$9,915,000
0	0	0	0	0
0	4,700,000	500,000	13,110,000	5,130,000
0	0	0	0	0
$5,815,000	$10,300,000	$2,600,000	$11,455,000	$4,785,000
$0	$700,000	$0	$310,000	$1,075,000
0	600,000	0	0	1,150,000
0	500,000	0	0	1,235,000
0	500,000	0	0	1,325,000
0	500,000	0	395,471	0
115,000	0	0	422,171	0
100,000	0	0	453,871	0
1,000,000	0	2,600,000	6,743,066	0
2,400,000	7,500,000	0	3,130,421	0
2,200,000	0	0	0	0
$5,815,000	$10,300,000	$2,600,000	$11,455,000	$4,785,000

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	DePaul University Series 1989A	Steppenwolf Theatre Company Series 1989	Chicago Historical Society Series 1989
Maturity Date	April 1, 2019	July 1, 2019	January 1, 2024
Trustee	First National Bank of Chicago	LaSalle National Bank	American National Bank & Trust Company of Chicago
Interest Rate on Remaining Maturities	6.9% to 7.375%	9.65%	Various
Original Issue	$25,210,000	$4,200,000	$10,450,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	2,270,000	175,000	250,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$22,940,000	$4,025,000	$10,200,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$420,000	$50,000	$100,000
1998	450,000	50,000	100,000
1999	480,000	50,000	100,000
2000	510,000	75,000	100,000
2001	550,000	75,000	100,000
2002	590,000	75,000	100,000
2003	625,000	75,000	100,000
2004-2013	9,455,000	1,425,000	2,300,000
2014-2023	9,860,000	2,150,000	6,200,000
2024-2030	0	0	1,000,000
	$22,940,000	$4,025,000	$10,200,000

National College of Education Series 1989	Illinois Institute of Technology Series 1990A	Field Museum of Natural History Series 1990	Elmhurst College Series 1991	Loyola University of Chicago Series 1991A
May 1, 2019	Sept. 1, 2025	Nov. 1, 2025	May 1, 2011	July 1, 2021
First National Bank of Chicago	First National Bank of Chicago	American National Bank & Trust Company of Chicago	American National Bank & Trust Company of Chicago	First National Bank of Chicago
Various	Various	Various	Various	6.2% to 7.125%
$18,200,000	$46,000,000	$20,000,000	$5,000,000	$138,366,619
0	0	0	0	2,812,641
1,500,000	1,400,000	0	715,000	28,163,246
0	0	0	0	0
$16,700,000	$44,600,000	$20,000,000	$4,285,000	$113,016,014
$400,000	$500,000	$0	$170,000	$5,550,000
400,000	600,000	0	185,000	5,325,000
400,000	600,000	0	195,000	5,670,000
400,000	600,000	0	210,000	6,030,000
400,000	700,000	0	225,000	6,980,000
500,000	700,000	0	240,000	2,720,000
500,000	800,000	0	255,000	2,230,199
7,000,000	10,800,000	0	2,805,000	30,285,144
6,700,000	20,300,000	0	0	48,225,671
0	9,000,000	20,000,000	0	0
$16,700,000	$44,600,000	$20,000,000	$4,285,000	$113,016,014

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	Lake Forest College Series 1991	Monmouth College Series 1991	Bradley University Series 1991
Maturity Date	October 1, 2021	Sept. 1, 2001	Dec. 1, 2011
Trustee	Bank One Springfield	First National Bank of Chicago	American National Bank & Trust Company of Chicago
Interest Rate on Remaining Maturities	5.8% to 6.75%	6.59%	Various
Original Issue	$9,865,000	$1,025,000	$7,000,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	340,000	335,000	960,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$9,525,000	$690,000	$6,040,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$115,000	$95,000	$265,000
1998	130,000	105,000	280,000
1999	145,000	110,000	290,000
2000	155,000	120,000	305,000
2001	165,000	125,000	315,000
2002	180,000	135,000	330,000
2003	195,000	0	0
2004-2013	3,020,000	0	4,255,000
2014-2023	5,420,000	0	0
2024-2030	0	0	0
	$9,525,000	$690,000	$6,040,000

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DePaul University Series 1992	Museum of Science and Industry Series 1992	Columbia College Series 1992	Art Institute of Chicago Series 1992	University of Chicago Series 1993
April 1, 2026	October 1, 2026	Dec. 1, 2017	March 1, 2027	July 1, 2013
LaSalle National Bank	LaSalle National Bank	Bank of America Illinois	First National Bank of Chicago	American National Bank & Trust Company of Chicago
Various	Various	5.0% to 6.875%	Various	4.2% to 6.0%
$57,000,000	$15,000,000	$25,605,000	$18,000,000	$6,440,000
0	0	0	0	0
500,000	0	1,525,000	0	600,000
0	0	0	0	0
$56,500,000	$15,000,000	$24,080,000	$18,000,000	$5,840,000
$0	$0	$555,000	$0	$200,000
0	0	580,000	0	200,000
0	0	615,000	0	225,000
0	0	645,000	0	225,000
0	0	680,000	0	250,000
0	0	720,000	0	250,000
0	0	765,000	0	275,000
0	0	10,825,000	0	3,715,000
0	0	8,695,000	0	500,000
56,500,000	15,000,000	0	18,000,000	0
$56,500,000	$15,000,000	$24,080,000	$18,000,000	$5,840,000

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
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SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	Columbia College Series 1993	Knox College Series 1993	Northwestern University Series 1993
Maturity Date	Dec. 1, 2018	April 1, 2013	July 1, 2022
Trustee	Bank of America Illinois	First Midwest Trust Company	LaSalle National Bank
Interest Rate on Remaining Maturities	5.0% to 6.125%	5.75% then Various	Various
Original Issue	$9,515,000	$2,900,000	$78,850,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	370,000	250,000	965,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$9,145,000	$2,650,000	$77,885,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$200,000	$95,000	$510,000
1998	210,000	100,000	530,000
1999	220,000	110,000	550,000
2000	230,000	115,000	1,775,000
2001	245,000	120,000	1,870,000
2002	260,000	125,000	1,965,000
2003	275,000	135,000	2,055,000
2004-2013	3,840,000	1,850,000	26,010,000
2014-2023	3,665,000	0	42,620,000
2024-2030	0	0	0
	$9,145,000	$2,650,000	$77,885,000

Art Institute of Chicago Series 1993	Loyola University of Chicago Series 1993A-C	National-Louis University Series 1993	Illinois Wesleyan University Series 1993	Bradley University Series 1993A-C
March 1, 2027	July 1, 2018	May 1, 2022	Sept. 1, 2023	May 1, 2012
First National Bank of Chicago	Bank of America Illinois	LaSalle National Bank	Commerce Bank	Norwest Bank Wisconsin, NA
4.5% to 5.8%	Various	Various	3.9% to 5.70%	Various
$23,340,000	$75,625,000	$7,500,000	$35,000,000	$13,820,000
0	0	0	0	0
1,050,000	0	200,000	150,000	1,235,000
0	0	0	0	0
$22,290,000	$75,625,000	$7,300,000	$34,850,000	$12,585,000
$360,000	$0	$0	$50,000	$670,000
370,000	0	0	50,000	715,000
370,000	0	0	155,000	965,000
370,000	0	0	430,000	890,000
370,000	0	0	710,000	915,000
375,000	0	0	745,000	930,000
375,000	0	0	785,000	1,015,000
4,250,000	61,625,000	0	10,965,000	6,485,000
8,750,000	14,000,000	7,300,000	18,450,000	0
6,700,000	0	0	2,510,000	0
$22,290,000	$75,625,000	$7,300,000	$34,850,000	$12,585,000

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	University of Chicago Series 1993-B	University of Chicago Series 1993-C	Eureka College Series 1994
Maturity Date	July 1, 2024	July 1, 2007	Feb. 1, 2013
Trustee	First National Bank of Chicago	First National Bank of Chicago	Bank One Peoria
Interest Rate on Remaining Maturities	5.50% to 5.60%	3.85% to 5.00%	6.13% to 6.33% then Various
Original Issue	$36,975,000	$17,475,000	$5,000,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	0	0	300,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$36,975,000	$17,475,000	$4,700,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$0	$0	$165,000
1998	0	1,075,000	175,000
1999	0	1,300,000	185,000
2000	0	1,400,000	195,000
2001	0	1,500,000	205,000
2002	0	1,500,000	220,000
2003	0	1,600,000	235,000
2004-2013	7,650,000	9,100,000	3,320,000
2014-2023	23,000,000	0	0
2024-2030	6,325,000	0	0
	$36,975,000	$17,475,000	$4,700,000

Lewis University Series 1994	Lake Forest College Series 1994	Illinois Institute of Technology Series 1994	Chicago Children's Museum Series 1994	Chapin Hall Center for Children Series 1994
October 1, 2024	March 17, 2004	Dec. 1, 2015	Feb. 1, 2028	July 1, 2024
First National Bank of Chicago	Bank One Springfield	American National Bank & Trust Company of Chicago	Bank of America Illinois	Bank of America Illinois
4.50% to 6.00%	Various	4.90% to 6.88%	Various	6.73% then Various
$14,325,000	$1,000,000	$14,670,000	$6,700,000	$5,500,000
0	0	0	0	0
200,000	145,000	0	0	0
0	0	0	0	0
$14,125,000	$855,000	$14,670,000	$6,700,000	$5,500,000
$210,000	$85,000	$365,000	$0	$65,000
220,000	90,000	380,000	0	70,000
230,000	95,000	400,000	0	75,000
240,000	100,000	420,000	0	80,000
250,000	110,000	445,000	0	85,000
265,000	115,000	470,000	0	90,000
275,000	125,000	495,000	0	95,000
3,800,000	135,000	7,045,000	0	1,420,000
6,750,000	0	4,650,000	0	2,725,000
1,885,000	0	0	6,700,000	795,000
$14,125,000	$855,000	$14,670,000	$6,700,000	$5,500,000

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SCHEDULE OF REVENUE BONDS OUTSTANDING
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Revenue Bond Issue	Art Institute of Chicago Series 1995	Ravinia Festival Association Series 1995	North Central College Series 1995
Maturity Date	March 1, 2027	Jan. 1, 2001	April 1, 2005
Trustee	Seaway National Bank	Harris Trust & Savings Bank	Harris Trust & Savings Bank
Interest Rate on Remaining Maturities	Various	Various	5.60% to 6.70%
Original Issue	$24,600,000	$11,500,000	$4,055,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	600,000	2,000,000	325,000
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$24,000,000	$9,500,000	$3,730,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$0	$0	$325,000
1998	0	0	340,000
1999	0	0	360,000
2000	0	0	385,000
2001	0	9,500,000	410,000
2002	0	0	435,000
2003	0	0	460,000
2004-2013	0	0	1,015,000
2014-2023	0	0	0
2024-2030	24,000,000	0	0
	$24,000,000	$9,500,000	$3,730,000

John F Kennedy Health Care Foundation, Inc. Series 1995	Commercial Paper Pooled Financing	The Chicago Zoological Society Series 1995A	The Chicago Zoological Society Series 1995B	The Arts Club of Chicago Series 1996
Dec. 1, 2025	Various	Dec. 15, 2016	Dec. 15, 2025	Jan. 1, 2026
American National Bank	American National Bank	Norwest Bank Illinois	Norwest Bank Illinois	American National Bank
Various	Various	4.30% to 6.10%	Various	Various
$12,800,000	$54,619,000	$5,000,000	$5,000,000	$8,900,000
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
$12,800,000	$54,619,000	$5,000,000	$5,000,000	$8,900,000
$0	$54,619,000	$0	$0	$0
0	0	150,000	0	0
0	0	155,000	0	0
0	0	165,000	0	0
0	0	170,000	0	0
0	0	180,000	0	0
0	0	190,000	0	0
0	0	2,585,000	0	0
0	0	1,405,000	3,145,000	0
12,800,000	0	0	1,855,000	8,900,000
$12,800,000	$54,619,000	$5,000,000	$5,000,000	$8,900,000

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY
(State of Illinois)
SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	The Art Institute of Chicago Series 1996	Northwestern University Series 1982*	Northwestern University Series 1983*
Maturity Date	March 1, 2027	Dec. 1, 1997	Dec. 1, 2007
Trustee	Seaway National Bank	Harris Trust & Savings Bank	Harris Trust & Savings Bank
Interest Rate on Remaining Maturities	Various	Various	8.0%
Original Issue	$33,300,000	$10,000,000	$20,000,000
Increase Due to Capital Appreciation Bonds	0	0	0
Bonds Redeemed	0	0	0
Defeasance of Revenue Bonds	0	0	0
Bonds Outstanding at June 30, 1996	$33,300,000	$10,000,000	$20,000,000
Scheduled Maturities for the Fiscal Years Ending June 30,			
1997	$0	$0	$0
1998	0	10,000,000	0
1999	0	0	0
2000	0	0	0
2001	0	0	0
2002	0	0	0
2003	0	0	0
2004-2013	0	0	20,000,000
2014-2023	0	0	0
2024-2030	33,300,000	0	0
	$33,300,000	$10,000,000	$20,000,000

* These revenue bonds were originally issued by the Illinois Independent Higher Education Loan Authority. See MERGER note to the financial statements.

University of Chicago Series 1985*	Knox College Series 1985*
Dec. 1, 1999	January 1, 1998
First National Bank of Chicago	First Midwest Bank
7.5%	Various
$9,500,000	$1,500,000
0	0
7,770,000	1,275,000
0	0
$1,730,000	$225,000
$0	$150,000
0	75,000
0	0
1,730,000	0
0	0
0	0
0	0
0	0
0	0
0	0
$1,730,000	$225,000

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SCHEDULE OF REVENUE BONDS OUTSTANDING
AS OF JUNE 30, 1996

Revenue Bond Issue	Total (Memorandum Only
Maturity Date	
Trustee	
Interest Rate on Remaining Maturities	
Original Issue	$1,550,315,619
Increase Due to Capital Appreciation Bonds	2,812,641
Bonds Redeemed	236,863,246
Defeasance of Revenue Bonds	0
Bonds Outstanding at June 30, 1996	$1,316,265,014
Scheduled Maturities for the Fiscal Years Ending June 30,	
1997	$73,525,000
1998	29,899,000
1999	21,428,000
2000	24,621,000
2001	35,615,471
2002	22,253,171
2003	24,895,070
2004-2013	338,182,210
2014-2023	348,776,092
2024-2030	397,070,000
	$1,316,265,014

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY

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